

**DATE:** March 7, 2019

**TO:** Todd Wyett, Chairman  
State Transportation Commission

**FROM:** Paul C. Ajegba  
Director

**SUBJECT:** Waiver of Commission Approval

The projects and descriptions documented in Exhibit A-1 attached, will be let by the Michigan Department of Transportation on March 15, 2019. These projects require pre-approval as the engineers' estimates are over \$500,000. The approximate six-week delay resulting if Commission pre-approval were deferred to the next State Transportation Commission meeting on April 18, 2019, would delay the transmittal of the contract documents to the low bidders, and jeopardize the construction schedules.

The projects and descriptions documented in Exhibit A-2, attached, were let by the Michigan Department of Transportation on February 13, 2019. The low bids received were more than 10% over the engineers' estimate and therefore require approval by the State Transportation Commission. The approximate six-week delay resulting if Commission approval were deferred to the next State Transportation Commission meeting on April 18, 2019, would delay the transmittal of the contract documents to the low bidder, and jeopardize the construction schedule.

The project and description documented in Exhibit A-3, attached, was let on February 6, 2019. The project is being submitted for informational purposes since only one bid was received for each project and the engineers' estimates were less than \$500,000.

Thus, a waiver of the required Commission approval is requested, as provided in Commission Resolution 79-3, as amended, footnote F:

"If, in the opinion of the Director, the public interest requires that a certain contract be awarded or an agreement be executed prior to approval by the Commission, hereunder, the Director shall seek a waiver of the required approval from the Chairman of the Transportation Commission. If the request of the approval is verbal, the waiver shall be confirmed, in writing, within fourteen (14) days."

If the waiver is granted, the Department will proceed to execute the items noted above.

*Signed copy on file*

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Director

The request for waiver of Commission approval of the above-mentioned item is approved.

*Signed copy on file*

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Todd Wyett, Chairman

*March 4, 2019*

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Date

REQUEST FOR MICHIGAN STATE TRANSPORTATION

COMMISSION APPROVAL

BID LETTING PRE-APPROVAL

March 7, 2019

**STATE PROJECTS**

- |                               |                         |
|-------------------------------|-------------------------|
| 1. Letting of March 15, 2019  | Prequalification Level: |
| Letting Call: 1903 934        | <b>\$2,056,000.00</b>   |
| Project: STG 30062-129231     |                         |
| Local Agreement: 19-5004      |                         |
| Start Date: April 1, 2019     |                         |
| Completion Date: June 1, 2020 |                         |

Traffic signal modernization, concrete sidewalk, ramps, drainage, sewer and pavement markings on various trunkline routes in the cities of Jackson and Jonesville, Jackson and Hillsdale Counties.

0.00 % DBE participation required

- |                                     |                         |
|-------------------------------------|-------------------------|
| 2. Letting of March 15, 2019        | Prequalification Level: |
| Letting Call: 1903 935              | <b>\$938,000.00</b>     |
| Project: M 23151-204756             |                         |
| Local Agreement:                    |                         |
| Start Date: May 6, 2019             |                         |
| Completion Date: September 20, 2019 |                         |

Structural steel repairs, pin and hanger replacement, substructure repairs, pressure relief joints, and deck patching on I-96 over Grand River and Billwood Highway, Eaton County. This project includes a 2-year concrete surface coating warranty.

0.00 % DBE participation required

- |                                |                         |
|--------------------------------|-------------------------|
| 3. Letting of March 15, 2019   | Prequalification Level: |
| Letting Call: 1903 936         | <b>\$567,000.00</b>     |
| Project: NH 69023-200935       |                         |
| Local Agreement:               |                         |
| Start Date: May 20, 2019       |                         |
| Completion Date: June 28, 2019 |                         |

5.80 mi of overband crack sealing, single course chip sealing, fog sealing and pavement markings on M-32 from east of Hayes Road to south of Turtle Lake Road, Otsego County. This project contains a 2-year pavement performance warranty.

0.00 % DBE participation required

4. Letting of March 15, 2019  
Letting Call: 1903 937  
Project: M 62031-204754  
Local Agreement:  
Start Date:  
Completion Date: Calendar Days

Prequalification Level:  
**\$503,000.00**

Pin and hanger replacement, partial joint replacement and healer/sealer on M-37 over Muskegon River in the city of Newaygo, Newaygo County.

0.00 % DBE participation required

5. Letting of March 15, 2019  
Letting Call: 1903 938  
Project: M 77871-103339 , ETC  
Local Agreement:  
Start Date: May 6, 2019  
Completion Date: June 28, 2019

Prequalification Level:  
**\$1,502,000.00**

6.42 mi of hot mix asphalt cold milling and resurfacing, joint repairs and pavement markings on M-136 from Pine Street to Kingsley Road, on M-29 from Remer Road to Riverside Avenue and on M-154 at North Channel Drive carpool lot in the city of St. Clair, St. Clair County . This project includes a 3-year materials and workmanship pavement warranty.

3.00 % DBE participation required

6. Letting of March 15, 2019  
Letting Call: 1903 939  
Project: NH 82022-201362  
Local Agreement:  
Start Date: April 15, 2019  
Completion Date: July 15, 2019

Prequalification Level:  
**\$1,684,000.00**

1.68 mi of concrete pavement repairs, detail 7 joints and crack repairs and pavement markings on I-94 from Pelham Road to Outer Drive in the city of Allen Park, Wayne County.

3.00 % DBE participation required

### LOCAL PROJECT

7. Letting of March 15, 2019  
Letting Call: 1903 940  
Project: TA 41081-130935-2  
Local Agreement: 18-5506  
Start Date: 10 days after award  
Completion Date: June 30, 2019

Prequalification Level:  
**\$1,608,000.00**

2.05 mi of hot mix asphalt shared use path, earthwork, restoration and pavement markings on Caledonia Trails from 84th Street to Paul Henry Trail, Kent County. This is a Local Agency project.

5.00 % DBE participation required

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the project described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of February 11, 2019.

Respectfully submitted,

*Signed copy on file*

Paul C. Ajegba  
Director

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## OFFICE MEMORANDUM

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**DATE:** February 28, 2019

**TO:** State Transportation Commission

**FROM:** Jack Cotter, CPA, CGMA  
Commission Auditor  
Office of Commission Audits

**SUBJECT:** Justification Memorandums

Attached for your information are the department's justification memorandums for Exhibit A-2 items where the low bid exceeded the engineer's estimate by more than ten percent.

*Signed Original on File*

Jack Cotter, CPA, CGMA  
Commission Auditor

Attachments

cc: T. Hagon

**DATE:** February 14, 2019

**TO:** Myron G. Frierson, Director  
Bureau of Finance and Administration

**FROM:** Bradley C. Wieferich, Director  
Bureau of Development

**SUBJECT:** Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer Estimate

Letting Date: February 13, 2019

Project Description: 3.57 mi of hot mix asphalt cold milling and resurfacing, concrete curb, gutter, sidewalk and ramps, and pavement markings on M-62 from the west city limits to the east city limits of Dowagiac and on M-51 from Pokagon Street to the north city limits of Dowagiac in the city of Dowagiac, Cass County. This project includes a 3 year materials and workmanship pavement warranty.

Project Number: 14032-131577

Item Number: 1902 304

Low Bidder: Michigan Paving and Materials Company

Eng. Est: \$1,100,285.38      Low Bid: \$1,417,060.12      Difference: \$316,774.74      Percent: 28.79

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$1,100,285.38
Michigan Paving and Materials Company	\$1,417,060.12
Rieth-Riley Construction Co., Inc.	\$1,597,280.93

### **EXPLANATION FOR DIFFERENCES**

The low bidder had unit prices that varied from the normal range. The main items found to be higher than the engineer's estimate were cold milling hot mix asphalt surface; hot mix asphalt paving items; minor traffic devices and traffic regulator control. These items were bid higher than normal due to a tight schedule and urban work location. This project has sidewalk ramp work in various locations and must be completed prior to paving. The urban location has multiple drainage structures, driveways and road approaches to work around. These factors cause the milling and paving work to be more labor intensive, increasing the cost of the asphalt pay items. Additionally, working around multiple roadway and driveway intersections and in confined spaces leads to additional work in maintaining traffic, increasing the traffic control items. The estimator considered these factors when estimating this project but was unable to precisely predict the unit prices.

## **OVERALL CONCLUSION**

As indicated in the above analysis, the low bid is over the engineer's estimate because of a tight schedule and urban work location. This project received two bids of \$1,417,060.12 and \$1,597,280.93, which varied by 12.72 percent. We believe that rejecting this bid and re-letting this project will not result in lower bids, and the low bid should be considered reasonable based on the factors discussed.

The Bureau of Development and the Kalamazoo TSC request that this project be awarded to the low bidder based on the above conclusion.

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Director, Bureau of Development

cc: J. Cotter	D. Harr	S. Thurman	T. Kratofil	Director's Office
V. Lake	R. Cousin	L. Strzalka	C. Rademacher	MDOT-eProposal
K. Schuster	J. Hinkle	M. Shulick	C. Tennes	R. Worgess-Carveth
S. Fedders	D. Potvin	H. Stinson	K. Curtis	K. Farlin
L. Bretz	C. Masseau	B. Rottiers	J. Gutting	E. Poole
J. Smith	J. Woods	K. Rothwell	W. Thompson	

BOD:DD:QA:RWC:jh

**DATE:** February 27, 2019

**TO:** Myron G. Frierson, Director  
Bureau of Finance and Administration

**FROM:** Bradley C. Wieferich, Director  
Bureau of Development

**SUBJECT:** Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer Estimate

Letting Date: February 13, 2019

Project Description: 2.69 mi of hot mix asphalt shared use path along Lemen Road from 8 Mile Road to 9 Mile Road and on M-36 from 9 Mile Road to the Lakelands Trail, Livingston County.

Project Number: 47093-128441

Item Number: 1902 305

Low Bidder: Zito Construction

Eng. Est: \$942,462.75    Low Bid: \$1,168,677.15    Difference: \$226,241.40    Percent: 24.00

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$ 942,462.75
Zito Construction	\$1,168,677.15
Fonson Company, Inc.	\$1,341,752.16
Hoffman Bros., Inc.	\$1,376,812.00
C & D Hughes, Inc.	\$1,512,836.00
Mead Bros. Excavating Inc.	\$1,554,257.12

### **EXPLANATION FOR DIFFERENCES**

The low bidder had unit prices that varied from the normal range. The main items found to be higher than the engineer's estimate were tree removal; shared use path, aggregate; shared use path, grading; and pressure treated fence material, 2 rail, special. These items were bid higher than normal due to the expedited work schedule for tree removal. Additionally, the Massasauga Rattlesnake, located in this area, is a threatened species. The construction season is limited due to restricting the construction impact in the snake's habitat. There are limited access points which creates slower production. Furthermore, the fencing is an uncommon item with very little bid history. These combined factors will slow production, increasing costs. The local agency estimator considered several factors when estimating this project but was unable to precisely predict the unit prices.



## **OVERALL CONCLUSION**

As indicated in the above analysis, the low bid is over the engineer's estimate because of the expedited schedule, restricted access, slower production, limited season, and uncommon item. This project received five bids of \$1,168,677.15 and \$1,554,257.12, which varied by 32.99 percent. The two lowest varied by 14.81 percent. We believe that rejecting this bid and re-letting this project will not result in lower bids, and the low bid should be considered reasonable based on the factors discussed.

The Bureau of Development and the Livingston County Road Commission request that this project be awarded to the low bidder based on the above conclusion.

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Director, Bureau of Development

cc: J. Cotter	D. Harr	S. Thurman	T. Kratofil	Director's Office
V. Warner	R. Cousin	L. Strzalka	C. Rademacher	MDOT-eProposal
K. Schuster	J. Hinkle	M. Shulick	C. Tennes	R. Worgess-Carveth
S. Fedders	D. Potvin	H. Stinson	K. Curtis	K. Farlin
L. Bretz	C. Masseau	B. Rottiers	J. Gutting	E. Poole
J. Daavettila	J. Reid	D. Parker	L. Johnson	

BOD:DD:QA:SF:jh

REQUEST FOR MICHIGAN STATE  
TRANSPORTATION COMMISSION APPROVAL  
LETTING EXCEPTIONS AGENDA

March 7, 2019

**STATE PROJECT**

1. Letting of February 13, 2019  
Letting Call: 1902 304  
Project: M 14032-131577  
Local Agreement:  
Start Date: March 18, 2019  
Completion Date: May 10, 2019

Low Bid: **\$1,417,060.12**  
Engineer Estimate: \$1,100,285.38  
Pct Over/Under Estimate: 28.79 %

3.57 mi of hot mix asphalt cold milling and resurfacing, concrete curb, gutter, sidewalk and ramps, and pavement markings on M-62 from the west city limits to the east city limits of Dowagiac and on M-51 from Pokagon Street to the north city limits of Dowagiac in the city of Dowagiac, Cass County. This project includes a 3-year materials and workmanship pavement warranty.

3.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
<b>Michigan Paving and Materials Company</b>	<b>\$1,417,060.12</b>	<b>Same</b>	<b>1 **</b>
Rieth-Riley Construction Co., Inc.	\$1,597,280.93	Same	2

Total Number of Bidders: 2

## LOCAL PROJECT

2. Letting of February 13, 2019  
Letting Call: 1902 305  
Project: TAU 47093-128441  
Local Agreement: 19-5009  
Start Date: 10 days after award  
Completion Date: September 30, 2019

Low Bid: **\$1,168,677.15**  
Engineer Estimate: \$942,462.75  
Pct Over/Under Estimate: 24 %

2.69 mi of hot mix asphalt shared use path along Lemen Road from 8 Mile Road to 9 Mile Road and on M-36 from 9 Mile Road to the Lakelands Trail, Livingston County. This is a Local Agency project.

5.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
<b>Zito Construction</b>	<b>\$1,168,677.15</b>	<b>Same</b>	<b>1 **</b>
Fonson Company, Inc.	\$1,341,752.16	Same	2
Hoffman Bros., Inc.	\$1,376,812.00	Same	3
C & D Hughes, Inc.	\$1,512,836.00	Same	4
Mead Bros. Excavating Inc.	\$1,554,257.12	Same	5

Total Number of Bidders: 5

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the project described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of February 11, 2019

Respectfully submitted,

*Signed copy on file*

Paul C. Ajegba  
Director

INFORMATION FOR MICHIGAN STATE  
TRANSPORTATION COMMISSION

March 7, 2019

The following project information is being provided for informational purposes, as requested by the State Transportation Commission.

**STATE PROJECT**

Letting of February 6, 2019	TOTAL LNMI	LNMI BID	CONTRACT PRICE
Letting Call: 1902 601	139.13	123.45	<b>\$330,226.00</b>
Project: ST 38061-201028			
Local Agreement:			
Start Date: June 3, 2019			
Completion Date: September 6, 2019			

Up to 139.13 Inmi of overband crack filling on various state trunkline routes in Hillsdale, Jackson, and Lenawee Counties. This project will be constructed with an innovative contracting method, Fixed Price Variable Scope.

0.00 % DBE participation required

BIDDER	AS-SUBMITTED LNMI	AS-CHECKED LNMI
<b>Scodeller Construction, Inc.</b>	<b>123.45</b>	<b>Same 1 **</b>

Total Number of Bidders: 1

These projects, for which the bid is under Five Hundred Thousand Dollars (\$500,000) and has less than two (2) bidders or is a low bid rejection or have other bid issues, are being submitted for informational purposes. The contracts for these projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the projects described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum February 11, 2019.

Respectfully submitted,

Paul C. Ajegba  
Director